



November 8, 2006

TO: Transportation Authority of Marin Executive Committee

FROM: Dianne Steinhauser, Executive Director

RE: Hwy. 101 Funding Needed for Segment 4, Agenda Item 6

Dear Commissioners:

Executive Summary

During the week of October 30th, Caltrans finalized the engineers estimate for the Highway 101 Carpool Lane Project over Puerto Suello Hill, including the multi-use path and sound absorbing soundwalls. Since the TAM board report in September, various bid items on the project have been adjusted. The capital construction estimate in September was \$48,500,000. This resulted in a need for additional funds to be dedicated to the project totaling \$1,919,700. The current capital construction estimate is \$51,602,000. Along with utility, mitigation, and support needs, there exists a need for \$4,444,000 in additional funds.

The total Measure A Transportation Sales Tax funds committed to the project to date is \$23,462,700 including multi-use path and soundwall improvement design, environmental clearance and mitigation, construction, construction support and swap funds. Note this latter item, the swap funds, is actually \$5,912,000 in federal funds that were put into the project in exchange for an equal amount of Measure A funds going into local projects that the federal funds were originally dedicated to.

TAM staff have digested the final cost estimate on the project, including the soundwalls and multi-use path. Staff have identified the major cost changes since TAM reported in September on the projects' near final costs. Staff have compiled a number of work elements on the project that could be considered for elimination. Finally, staff have developed a number of options for providing additional local funds to complete the Segment 4 project. Staff is requesting direction from the Executive Committee on how best to proceed. The project is due to be advertised on December 18th, 2006. The funds need to be identified and committed to Caltrans in order for the project's advertisement not to be delayed:

Recommendation: The Executive Committee provide direction to TAM staff on elements of the Highway 101 Gap Closure Puerto Suello Hill multi-use path and sound-absorbing soundwalls that could be eliminated to reduce project cost, and that the Executive Committee provide direction on which local source(s) of funds be utilized in order to fully fund the project.

Background

Beginning in October 2005, TAM staff have developed the multi-use path facility and the sound-absorbing soundwalls for the Highway 101 widening over Puerto Suello Hill. Called for in the Expenditure Plan for the ½ cent Measure A Transportation Sales Tax, these features were developed through a broad public input process. Public outreach meetings were held in December 2005 and March 2006, followed by TAM Board actions that served to adopt the project scope features. The \$25,000,000 adopted in the 2006 TAM Strategic Plan for Highway 101 was deemed sufficient to cover all necessary costs of the project.

To date, TAM has committed \$23,462,700 on the multi-use path facility and the sound-absorbing soundwalls in Measure A funds. See Attachment A to this memo. Of this amount, TAM has approved \$3,381,000 on the environmental, design and project management of the project, performed by Nolte & Associates Engineering and Vali Cooper and Associates. The remaining \$20,081,700 has been committed for construction. The following actions have been taken by the TAM Board in regard to the funding of the Highway 101 GAP Closure Project construction costs:

- April 28, 2005 – TAM Board approved \$10,050,000 in Measure A funds to be used for the Highway 101 Gap Closure Project. These were envisioned for Segment 3, but when other funds became available- TCRP, SHOPP, and STIP, as well as CMAQ from MTC- the local Measure A funds were “saved” for Segment 4. Segment 4 construction funds from Measure A: \$10,050,000.
- December 15, 2005 – TAM Board approves the Measure A fund swap of \$2.432M in Transportation Enhancement (TE) funds and \$3.48M in STP funds. This put these federal funds into the project in exchange for Measure funds going to local projects. Segment 4 construction funds from Measure A: \$15,962,000.
- June 22, 2006 – TAM Board approves an additional \$2.2M in Measure A funds for the project and codifies the contribution of the \$2.432M in TE funds and \$3.48M in STP funds to the Highway 101 Gap Closure Project. Segment 4 construction funds from Measure A: \$18,162,000.
- September 28, 2006 – TAM Board approves additional \$1,919,700 in Measure A funds to cover cost increases in project. Segment 4 construction funds from Measure A: \$20,081,700.

Added to the total for support activities of \$3,381,000, the total TAM funds committed so far are \$23,462,700.

In September, 2006, the total estimated construction cost of the Puerto Suello Hill segment, including the carpool lane, the multi-use path and the soundwall improvements, was \$48,500,000 capital + \$4,168,700 support. Since the September cost estimate, the estimate for the project has been further refined and finalized. The current estimated cost is \$51,602,000 capital + \$4,168,700 support + \$1,089,000, for utility relocation and environmental mitigation + \$250,000 for TAM staff support for a grand total of \$57,109,700. The breakdown of the project cost is as follows:

| Project Element | Project Final Estimated Cost |
|---|-------------------------------------|
| Highway 101 work | \$ 32,172,234 |
| Multi-use path (includes breakaway path at Linden Lane, "tunnel" under Lincoln Ave. ramps, path lighting, utility relocations, and irrigation for future landscaping) | \$ 11,679,766 |
| Sound Absorbing Soundwalls | \$ 7,750,000 |
| Total Capital | \$ 51,602,000 |
| Construction Management- Caltrans | \$ 4,168,700 |
| Utility relocation (multi-use path) | \$ 930,000 |
| Environmental Mitigation (multi-use path) | \$ 159,000 |
| TAM Staff support costs | \$ 250,000 |
| Grand Total | \$ 57,109,700 |

Reasons for Cost Increases/Decreases

In reviewing the detailed cost estimate for the over 200 bid items on the project, as well as supplemental funds and contingencies, staff point out the following:

- The need to fit the multi-use path between the highway and the SMART right of way necessitates many additional retaining wall segments. Total retaining wall costs exceed \$3,600,000. The retaining wall quantity was mistakenly represented in the September estimate submitted to TAM for funding action. This results in a net increase of \$2,400,000.
- The quantity of bar reinforcing steel was mistakenly represented in the September estimate, resulting in an overall increase of \$500,000 for that item.
- Due to needing to manufacture the soundwall panels monolithic with the barrier they sit on, only one precaster has been found to do the work, in Southern California. The cost of transportation has driven up the cost of the soundwalls by \$700,000.
- The cost of asphalt concrete has been reduced due to declining oil prices.
- The overall increase in cost of the project necessitates an increase in standard items such as mobilization, partnering, etc.

A number of smaller increases and decreases to project costs have occurred, resulting in the net need for additional funds.

Current Funding Plan

Currently, the project's capital construction has a number of funds dedicated to it. Many of these funds have been allocated and are ready to use. Two sources, STIP and TE funds, are due to be allocated by the California Transportation Commission at their December 14-15 meeting in San Francisco:

Construction Capital Funds

| Fund Source | Amount |
|---------------------------|---------------------|
| CMAQ- MTC | \$20,173,000 |
| Measure A cash | \$12,066,000 |
| Measure A – TE fund swap | \$ 2,432,000 |
| Measure A – STP fund swap | \$ 3,480,000 |
| STIP | \$10,346,000 |
| Total | \$48,497,000 |

Construction Support Funds

| Fund Source | Amount |
|--------------------|--------------------|
| GF RIP/IIP | \$2,065,000 |
| Measure A | \$2,103,700 |
| Total | \$4,168,700 |

The total Measure A contribution for construction and construction support (including fund swaps) is \$20,081,700. Adding in the cost to environmentally clear, design, and manage the project, the total TAM commitment is \$23,462,700.

Since the total construction capital funds needed is \$51,602,000, and we currently have a committed amount of \$48,497,000, this leaves a shortfall of \$3,105,000 in the construction capital cost in order to be able to advertise the project. In addition, there is funding needed for the utility relocation and environmental mitigation work, at \$1,089,000, plus the TAM support costs of \$250,000. The total shortfall is \$4,444,000. TAM can address this total shortfall of \$4,444,000 by reducing cost through the elimination of project features or finding additional funds.

Options for Reducing Cost

The project is currently experiencing a \$4,444,000 shortfall in available funds for the construction of the project. To address the shortfall, there are several options to consider: TAM staff has reviewed the scope of the project to determine if there are potential project elements that can be removed or delayed. Some project elements to consider include:

- Reduce length of bikepath i.e. end path at Lincoln Ave. ramps, cross Lincoln at-grade - \$1M+
- Reduce the length of the sound-absorbing soundwalls on the project- \$500,000 to \$1 Mil.
- Eliminate Path Lighting - \$300,000
- Eliminate Additional Lighting along Stevens Place - \$50,000
- Seek alternative local pre-casting for soundwall to reduce cost – up to \$700,000
- Eliminate Linden break-away path - \$500,000
- Eliminate sidewalks along Los Ranchitos - \$50,000
- Eliminate landscaping of path – \$156,500 (\$130,000 irrigation & \$26,500 planting)

Staff is doggedly pursuing locating a Northern California manufacturer for precasting the walls. Pursuing several other of these options will entail receiving the approval of others, such as receiving authorization from the City of San Rafael for an at-grade crossing at Lincoln. Several of the options can be the sole decision of TAM, such as removing lighting. The community that shaped the project scope will have an opportunity to comment on changes at the TAM Board meetings of November 16th and December 14th IF changes are adopted by the TAM Board.

Additional Funding Options

Additional funds could be identified to keep the project within the current project scope and not eliminate any scope elements. There are several options for the TAM Board to consider regarding how to fund the remainder of the project cost:

- Use the remainder of the Measure A sales tax funds available to Strategy 2 in the 2006 Measure A Strategic Plan, totaling \$1,537,300.
- Seek additional funds from the California Transportation Commission at the time of fund vote in December 2006
- Utilize Non-Motorized Transportation Pilot Program, NTPP, funds
- Utilize the county's Regional Bike/Ped Program , RBPP, funds that TAM receives from MTC, totaling \$875,000
- Use this year's TDA funds, totaling \$611,000.
- Use this year's County Transportation Funds for Clean Air, TFCA funds, totaling \$550,000.
- Seek a federal earmark in this cycle of the federal budget

Any combination of the above funding scenarios can be pursued.

Recommendation

TAM staff recommend that the Executive Committee consider the following actions:

- Staff do not recommend making significant changes to the path or soundwalls. These should only be pursued if funds cannot be found to keep the project whole.
- Staff do recommend that some elements of the path be eliminated for now, particularly the lighting, the additional lighting along Steven's Place, and the planting, totaling \$376,500. These can be incorporated under the future landscaping phase of the Gap Closure, if funds are available. (Note, there is funding in the STIP for FY2008/09 totaling \$2,200,000 and FY2009/10 totaling \$3,000,000 for the landscaping of the Gap Closure project.
- Staff do not recommend asking the California Transportation Commission for funding of the shortfall at time of advertisement. Staff will need to come to the CTC for funding IF the bids come in high as every other fund source on the project besides STIP funds are fixed. The CTC will be the only place to turn to for supplemental funds to award the project.
- Staff recommend that a combination of Regional Bike/Ped Program funds, and Non-Motorized Transportation Pilot Program funds be utilized for the funding shortfall now. If all remaining Measure A funds are used, then the total need is reduced as follows:

| | |
|---------------------|---------------------|
| Funding needed | \$4,444,000 |
| Reduce cost | - 376,500 |
| Available TAM funds | <u>-\$1,537,300</u> |
| Need funding | \$2,530,200 |

Recommendation: The Executive Committee provide direction to TAM staff on elements of the Highway 101 Gap Closure Puerto Suello Hill multi-use path and sound-absorbing soundwalls that could be eliminated to reduce project cost, and that the Exec Committee provide direction on which local source(s) of funds be utilized in order to fully fund the project.

Attachments: Measure A Commitments as of October 26, 2006
Upcoming Funding Opportunities

Measure A Commitments as of October 26, 2006

| Cost Category | \$ Amount | Commitment Type |
|-------------------------------------|------------|--|
| Nolte Contract for design of path | 2,161,000 | Board Approved -mtgs of 27Oct05, 23Feb06, 22June 06, 28Sept06 |
| Construction funding- measure cash | 12,050,000 | Board Approved- mtgs 28April05, 27July06 |
| Construction funding- STP Fund Swap | 3,480,000 | Board Approved mtg of 15Dec05 |
| Construction funding- TE Fund Swap | 2,432,000 | Board Approved mtg 15Dec05 (= \$1,039,000 TE & \$1,392,000 TLC projects) |
| Construction funding- measure cash | 1,919,700 | Board Approved- mtg of 28Sept06 |
| Project Management | 1,220,000 | Board Approved 22June06 as part of 2006 Strategic Plan |
| | | |
| TOTAL | 23,262,700 | |

| Upcoming Funding Opportunities | | | | |
|--|--|--|--|--|
| | TFCA Local | TDA Article 3 | RBPP - County Share | TFCA Regional |
| Issuing Agency | TAM | TAM | TAM | BAAQMD |
| Call for Projects Issued | Oct. 2006 | Oct. 2006 | Oct. 2006 | April 2007 |
| Applications due to TAM | Dec. 2006 | Dec. 2006 | Dec. 2006 | n/a |
| Present recommended projects to Bicycle Advisory Group | Jan. 2007 | Jan. 2007 | Jan. 2007 | n/a |
| Present recommended projects to Executive Committee | Feb. 2007 | Feb. 2007 | Feb. 2007 | n/a |
| Present recommended projects to TAM Board | Feb. 2007 | Feb. 2007 | Feb. 2007 | n/a |
| Applications or reporting due to External Agency | April 2007 (BAAQMD) | Late FY 06/07 (MTC) | April 2007 (MTC) | July 2007 (BAAQMD) |
| Project Type | Capital/Limited O&M | Capital/O&M/Limited Planning | Capital/Limited O&M | Capital/Limited O&M |
| FY in which funding is available | 07/08 | 06/07 - 07/08 | 07/08 - 08/09 | 07/08 |
| Eligible Sponsors | Public agencies only. Except for vehicle-based projects, non-profit agencies must partner with public agencies | Public agencies only, which is defined as counties, cities, and joint powers agencies | Public agencies only. Non-profit agencies must partner with public agencies | Public agencies only. Except for vehicle-based projects, non-profit agencies must partner with public agencies |
| Eligible Project Types | Clean air projects that reduce vehicular emissions | Construction and/or engineering of pedestrian and bicycle capital projects; maintenance of Class I bikeway; development of comprehensive pedestrian or bicycle plans | Construction of regional bike network and regionally significant pedestrian projects that demonstrate a likely mode shift to bicycling or walking. | Clean air projects that reduce vehicular emissions |
| Estimated Funds Available | \$550,000 | \$611,000 | \$875,000 | (Bay Area) \$10,000,000 |
| Maximum Grant Award | no limit, but must meet cost-effectiveness ratio | no limit | no limit | \$1,500,000 |
| Minimum Grant Award | no limit, but must meet cost-effectiveness ratio | no limit | no limit | \$10,000 |
| Local Match Requirement | none | none | 11.47% | If grant amount is over \$150,000, 10% local match is required |

TFCA - Transportation Fund for Clean Air

BAAQMD - Bay Area Air Quality Management District

TDA - Transportation Development Act

RBPP - Regional Bicycle and Pedestrian Program

O&M - Operating and Maintenance